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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

-----x
3 UNITED STATES OF AMERICA

4 v.

15 CR 333 (LTS)

19 CR 658 (LTS)

Plea

5 ANDREI TYURIN

6 Defendant

-----x

7 New York, N.Y.

8 September 23, 2019

9 2:30 p.m.

10 Before:

11 HON. LAURA TAYLOR SWAIN

District Judge

12
13 APPEARANCES

14 GEOFFREY S. BERMAN

United States Attorney for the

15 Southern District of New York

EUN YOUNG CHOI

16 Assistant United States Attorney

17 FLORIAN MIEDEL

Attorney for Defendant

18 ALSO PRESENT: Michael DeNicola, S.A. (FBI)

19 Isabelle Avrutin, Interpreter (Russian)

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(Case called)

MS. CHOI: Good afternoon, your Honor. Eun Choi on behalf of the government.

With me at counsel table is Special Agent Michael DeNicola of the FBI.

THE COURT: Good afternoon, Ms. Choi. And Special Agent DeNicola.

MR. MIEDEL: Good afternoon, your Honor.

Florien Miedel for Mr. Tyurin.

THE COURT: Good afternoon, Mr. Miedel.

Good afternoon, Mr. Tyurin.

THE DEFENDANT: Good afternoon.

THE COURT: Ms. Avrutin, you will be interpreting from English to Russian and vice versa. Is that correct?

THE INTERPRETER: Yes, that's correct.

THE COURT: Thank you.

Mr. Tyurin, if you have any difficulty understanding the interpretation or hearing the interpreter at any time, please let me or Mr. Miedel know, or raise your hand.

Are you hearing and understanding everything clearly so far?

THE DEFENDANT: Yes.

THE COURT: Thank you.

Now, we have recently had transferred to and opened up in this district indictment 19 CR 658, which was originally

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1 filed in the Northern District of Georgia as indictment
2 15 CR 393. Am I correct in understanding that Mr. Tyurin has
3 not yet been arraigned on the 19 CR 658 transferred indictment?

4 MS. CHOI: Correct, your Honor.

5 THE COURT: And has he had a first appearance in
6 connection with that indictment?

7 MS. CHOI: No, he has not.

8 THE COURT: All right. So first we'll address the
9 first appearance and arraignment in connection with that
10 indictment.

11 So, Mr. Tyurin, would you please stand.

12 (Complies)

13 THE COURT: Please state your full name.

14 THE DEFENDANT: Andrei Tyurin (In English).

15 THE COURT: How old are you?

16 THE DEFENDANT: 36.

17 THE COURT: I will now explain to you certain rights
18 that you have under the Constitution of the United States.

19 You have the right to remain silent. You need not
20 make any statement. Even if you have already made statements
21 to the authorities, you need not make any additional
22 statements. Any statements that you do make can be used
23 against you. Do you understand these rights?

24 THE DEFENDANT: Yes.

25 THE COURT: You have the right to be released, either

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1 conditionally or unconditionally, pending trial unless I find
2 that there are no conditions that would reasonably assure your
3 presence at future court hearings and the safety of the
4 community.

5 If the government were to ask me to detain you pending
6 trial in connection with this specific indictment, you're
7 entitled to a prompt hearing on whether such conditions exist.
8 Do you understand this right?

9 THE DEFENDANT: Yes.

10 THE COURT: You have the right to be represented by an
11 attorney today and at all future proceedings in this case. And
12 if you are unable to afford an attorney, I will appoint an
13 attorney to represent you. Do you understand these rights?

14 THE DEFENDANT: Yes.

15 THE COURT: Have you retained counsel in connection
16 with this case 19 CR 658?

17 THE DEFENDANT: Yes. Yes.

18 THE COURT: Is that Mr. Miedel?

19 THE DEFENDANT: Yes.

20 THE COURT: Do you wish the Court to appoint counsel?

21 THE DEFENDANT: No.

22 THE COURT: Are you a citizen of the United States?

23 THE DEFENDANT: No.

24 THE COURT: And what is your country of citizenship?

25 THE DEFENDANT: Russian Federation.

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1 THE COURT: Because of your nationality, you're
2 entitled to have your country's consular representatives here
3 in the United States notified that you have been arrested and
4 detained. After your consular officials are notified, they may
5 call or visit you. You are not required to accept their
6 assistance, but they may be able to help you retain legal
7 counsel and contact your family and visit you in detention,
8 among other things. Do you understand this right?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you wish to have your consulate
11 notified?

12 THE DEFENDANT: No.

13 THE COURT: Now, I am informed that -- actually, we
14 will go on to the arraignment.

15 Mr. Miedel, have you seen the indictment that is now
16 numbered 19 CR 658 in this district?

17 MR. MIEDEL: Yes, I have.

18 THE COURT: And has it been read to Mr. Tyurin in
19 Russian?

20 MR. MIEDEL: Yes, it has.

21 THE COURT: Have you discussed it with Mr. Tyurin?

22 MR. MIEDEL: Yes, I have.

23 THE DEFENDANT: Yes.

24 THE COURT: And so, Mr. Tyurin, have you seen this
25 document that has the number 19 CRIM 658 on it which sets out

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1 the charges against you that have been transferred from
2 Georgia?

3 THE DEFENDANT: Yes, I did.

4 THE COURT: Has it been read to you in Russian?

5 THE DEFENDANT: Yes.

6 THE COURT: Have you discussed it with your attorney?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you understand the charges against you
9 that are set forth in this indictment?

10 THE DEFENDANT: Yes, I understand.

11 THE COURT: Do you want me to read it out loud to you
12 now word for word in court, or do you waive the public reading
13 of the indictment?

14 THE DEFENDANT: No.

15 THE COURT: Do you wish me to read it out loud to you?

16 THE DEFENDANT: No.

17 THE COURT: Very well.

18 I am going to ask you some questions in which I
19 summarize the charges to understand that you are familiar with
20 the charges. Do you understand that Count One of this
21 indictment 19 CR 658 charges you with violating Section 1349 of
22 Title 18 of the United States Code by participating in a
23 conspiracy to commit wire fraud by conspiring with others to
24 defraud financial institutions and other companies?

25 THE DEFENDANT: Yes.

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1 THE COURT: And to obtain money and property from
2 those financial institutions and companies, including the
3 confidential personal identifying information of customers by
4 means of materially false and fraudulent pretenses for the
5 purpose of executing and attempting to execute such scheme
6 transmitted by means of wire communication in interstate and
7 foreign commerce of certain writings, signs, signals, pictures
8 and sounds in violation of Section 1343 of Title 18. Do you
9 understand that that is the charge in Count One?

10 THE DEFENDANT: Yes.

11 THE COURT: Do you understand that in each of Counts
12 Two through Four of this indictment, you are charged with
13 violating Sections 1343 and 2 of Title 18 by committing wire
14 fraud in relation to the misappropriation of confidential
15 business information, specifically by transmitting the internet
16 logins to the customer account of an individual held in a
17 certain victim company from a server with a certain internet
18 protocol address and located in the foreign country as set out
19 in the indictment to victim servers located in the United
20 States for the purpose of executing and attempting to execute
21 the scheme and artifice and aiding and abetting the scheme? Do
22 you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: Do you understand that Count Five of the
25 indictment charges you with violating Section 371 of Title 18

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1 by participating in a conspiracy to commit computer fraud and
2 identity theft fraud -- sorry -- identity fraud by knowingly
3 agreeing with others to intentionally access protected
4 computers without authorization, and thereby obtain information
5 from protected computers in violation of the Georgia Criminal
6 Statute specified in the indictment; that is, to willfully use
7 and posses with intent to fraudulently use identifying
8 information concerning a person without authorization and
9 consent in violation of Title 18 of the United States Code
10 Sections 1030(a)(2)(C) and 1030(c)(2)(E)(ii). Do you
11 understand that charge?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that in Count Six of the
14 indictment, you're charged with violating Title 18, Sections
15 1030(a)(2)(C) and 1030(c)(2)(B)(i) and Section 2 by
16 intentionally accessing a computer without authorization, and
17 thereby obtaining information from a protected computer for the
18 purpose of commercial advantage and private financial gain and
19 aiding and abetting the same? Do you understand that charge?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you understand that Count Seven of the
22 indictment charges you with violating Title 18, Sections
23 1030(a)(2)(C), 1030(c)(2)(B)(ii) and 2 by intentionally
24 accessing protected computers without authorization and thereby
25 obtaining information from protected computers in furtherance

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1 of a criminal act in violation of the specified Georgia
2 Criminal Statute; that is, to willfully use and possess with
3 intent to fraudulently use identifying information concerning a
4 person without authorization and consent and aiding and
5 abetting the same? Do you understand that charge?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that in each of Counts
8 Eight through Ten of the indictment, you are charged with
9 violating Sections 1028(a), (a)(1) and (2) of Title 18 by
10 committing aggravated identity theft by knowingly transferring,
11 possessing and using without lawful authority a means of
12 identification of another person during and in relation to the
13 commission of a felony and aiding and abetting the same? Do
14 you understand that charge?

15 THE DEFENDANT: Yes.

16 THE COURT: And do you understand that the indictment
17 also includes a forfeiture allegation in which the government
18 asserts that you are required to forfeit all property
19 constituting or derived from proceeds of the crimes charged in
20 Counts One through Four of that indictment, and your interest
21 in all property used or intended to be used to facilitate the
22 crimes charged in Counts Five through Seven of that indictment?
23 Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: I have been informed that Mr. Tyurin

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1 intends to plead guilty to Counts One and Five of this
2 indictment 19 CR 658. Is that correct, Mr. Miedel?

3 MR. MIEDEL: Yes, your Honor, that is pursuant to a
4 plea agreement with the government and Rule 20 of the Federal
5 Rules of Criminal Procedure.

6 THE COURT: Thank you.

7 Mr. Tyurin, how do you plead to the charges in Counts
8 Two, Three, Four, Six, Seven, Eight, Nine and Ten of that
9 indictment 19 CR 658? Do you plead not guilty or guilty?

10 THE DEFENDANT: No, I don't plead guilty.

11 THE COURT: So you plead not guilty to those counts?

12 THE DEFENDANT: Right, I plead not guilty.

13 THE COURT: Thank you.

14 And I'm also informed Mr. Tyurin intends to proceed to
15 plea guilty to Counts One, Two, Eight and Nine of the ten count
16 superseding indictment that is labeled (S4) 15 CR 333. Is that
17 correct, Mr. Miedel?

18 MR. MIEDEL: That is correct.

19 THE COURT: And that also is pursuant to a plea
20 agreement with a printed date of September 20, 2019 and an
21 execution date of today, September 23, 2019?

22 MR. MIEDEL: Yes, your Honor.

23 THE COURT: And has the executed copy of the agreement
24 been marked as Government Exhibit 1?

25 MR. MIEDEL: Yes.

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1 THE COURT: You have that there at defense table. Is
2 that correct?

3 MR. MIEDEL: I do.

4 THE COURT: Do you also have at defense table the
5 executed copy of the advice of rights form marked as
6 Court Exhibit 1?

7 MR. MIEDEL: Yes, I have.

8 THE COURT: Ms. Choi, would you make a statement
9 regarding the government's victim identification and
10 notification activities in connection with this proceeding
11 today?

12 MS. CHOI: Yes, your Honor. The government's been in
13 contact with the victims at issue, and they are aware of the
14 proceedings today.

15 THE COURT: Thank you.

16 Mr. Tyurin, before I accept your guilty plea, there
17 are a number of questions that I must ask you while you are
18 under oath to assure that your plea is valid. At times I may
19 cover a point more than once, and I may cover matters that were
20 also addressed in the advice of rights form that you had seen.

21 If that happens, that will be because it is very
22 important that you understand what is happening here today. If
23 you don't understand something that I ask you, please say so,
24 and I will reword the question or you may speak with your
25 attorney. Do you understand that?

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1 THE DEFENDANT: Yes.

2 THE COURT: Ms. Ng, would you please administer the
3 oath?

4 (Defendant sworn)

5 THE COURT: Thank you.

6 Please remain standing, but you can put your hand
7 down.

8 Mr. Tyurin, do you understand that you have solemnly
9 promised to tell the truth, and that if you answer any of my
10 questions falsely, your false or untrue answers may later be
11 used against you in a prosecution or perjury for making a false
12 statement?

13 THE DEFENDANT: Yes, I understand.

14 THE COURT: You can be seated for the next part of the
15 proceeding.

16 You are 36 years old. Is that correct?

17 THE DEFENDANT: Yes.

18 THE COURT: And how far did you go in school?

19 THE DEFENDANT: I graduated from a high school and a
20 college, and I didn't finish the university.

21 THE COURT: And what field of study did you pursue in
22 college?

23 THE DEFENDANT: Electrical machinery.

24 THE COURT: And is that what you studied at university
25 also?

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1 THE DEFENDANT: Yes.

2 THE COURT: Are you able to read, speak and understand
3 the Russian language well?

4 THE DEFENDANT: Yes.

5 THE COURT: Are you having any difficulty
6 understanding the interpreter?

7 THE DEFENDANT: No.

8 THE COURT: And you are not a U.S. citizen. Is that
9 correct?

10 THE DEFENDANT: I'm not.

11 THE COURT: Are you now or have you recently been
12 under the care of a doctor or a psychiatrist?

13 THE DEFENDANT: No.

14 THE COURT: Have you ever been treated or hospitalized
15 for any mental illness or any type of addiction, including drug
16 or alcohol addition?

17 THE DEFENDANT: No.

18 THE COURT: In the past 24 hours, have you taken any
19 drugs, medicine or pills or had any alcohol to drink?

20 THE DEFENDANT: No.

21 THE COURT: Is your mind clear today?

22 THE DEFENDANT: Yes.

23 THE COURT: Are you feeling well physically today?

24 THE DEFENDANT: Yes, fine.

25 THE COURT: Do you feel comfortable making important

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1 decisions for yourself today?

2 THE DEFENDANT: Yes.

3 THE COURT: Are you represented by a lawyer here
4 today?

5 THE DEFENDANT: Yes.

6 THE COURT: And what is your lawyer's name?

7 THE DEFENDANT: Florian Miedel.

8 THE COURT: Mr. Miedel and Ms. Choi, does either of
9 you have any doubt as to Mr. Tyurin's competence to enter a
10 plea at this time?

11 MS. CHOI: No, not from the government, your Honor.

12 MR. MIEDEL: No, your Honor.

13 THE COURT: Thank you.

14 Mr. Tyurin, your attorney has informed me that you
15 wish to withdraw certain of your earlier not guilty pleas and
16 plead guilty to certain counts of each of the indictment we
17 have discussed. Do you wish to plead guilty today?

18 THE DEFENDANT: Yes.

19 THE COURT: Have you fully discussed your case with
20 your attorney, including the charges to which you intend to
21 plead guilty and any defenses that you may have to those
22 charges?

23 THE DEFENDANT: Yes.

24 THE COURT: Have you and your attorney also discussed
25 the consequences of pleading guilty?

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1 THE DEFENDANT: Yes.

2 THE COURT: Are you satisfied with your attorney and
3 his representation of you?

4 THE DEFENDANT: Yes.

5 THE COURT: On the basis of Mr. Tyurin's responses to
6 my questions, and my observations of his demeanor, I find that
7 Mr. Tyurin is fully competent to enter an informed plea at this
8 time.

9 Before I accept your plea, sir, I am going to ask you
10 some more questions. These questions are intended to satisfy
11 the Court that you want to plead guilty because you are in fact
12 guilty, and that you fully understand your rights and the
13 consequences of your plea.

14 I will now describe to you certain rights that you
15 have under the Constitution and laws of the United States. You
16 will be giving up these rights if you plead guilty. Please
17 listen carefully. If you don't understand something that I am
18 saying or describing, stop me and I or your attorney may
19 explain it more fully.

20 Under the Constitution and laws of the United States,
21 you have the right to a speedy and public trial by a jury on
22 the charges against you that are in the two indictments. Do
23 you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you understand that you have the right

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1 to plead guilty and to continue to plead not guilty to each of
2 the charges in each of the indictments?

3 THE DEFENDANT: Yes.

4 THE COURT: If there were a trial, you would be
5 presumed innocent, and the government would be required to
6 prove you guilty by competent evidence and beyond a reasonable
7 doubt. You would not have to prove that you were innocent at a
8 trial. Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: If there were a trial, a jury composed of
11 12 people selected from this district would have to agree
12 unanimously in order to find you guilty. Do you understand
13 that?

14 THE DEFENDANT: Yes.

15 THE COURT: If there were a trial, you would have the
16 right to be represented by an attorney at the trial and at all
17 other stages of the proceedings. And if you could not afford
18 one, an attorney would be provided to you free of cost. Do you
19 understand that?

20 THE DEFENDANT: Yes.

21 THE COURT: If there were a trial, you would have the
22 right to see and hear all of the witnesses against you, and
23 your attorney could cross-examine them. Also, you would have
24 the right to have your attorney object to the government's
25 evidence and offer evidence on your behalf if you so desired.

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1 In addition, you would have the right to have
2 witnesses required to come to court to testify in your defense,
3 and you would have the right to testify yourself, but you would
4 not be required to testify. Do you understand all of that?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that if there were a
7 trial and you decided not to testify, no adverse inference
8 could be drawn against you based on your decision not to
9 testify?

10 THE DEFENDANT: Yes.

11 THE COURT: Do you understand that if you were
12 convicted at a trial, you would have the right to appeal that
13 verdict?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you understand each and every one of
16 the rights that I've asked you about?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: Do you have any questions about any of
19 these rights?

20 THE DEFENDANT: No.

21 THE COURT: Do you understand that by pleading guilty
22 today, you will be giving up each and every one of these
23 rights?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you also understand that you will be

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1 giving up any possible claim that your constitutional rights
2 may have been violated?

3 THE DEFENDANT: Yes.

4 THE COURT: Do you understand that if you plead guilty
5 today, you will not have a trial?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that by pleading guilty
8 today, you will also have to give up your right not to
9 incriminate yourself because I will ask you questions about
10 what you did in order to satisfy myself that you are guilty as
11 charged, and you will have to admit and acknowledge your guilt?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that you can change your
14 mind right now and refuse to plead guilty. You do not have to
15 enter this plea if you do not want to for any reason. Do you
16 understand that fully?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you still want to plead guilty?

19 THE DEFENDANT: Yes.

20 THE COURT: Now, I am returning to the subject of the
21 19 CR 658 indictment to confirm your understanding of the
22 charges to which you intend to plead guilty.

23 Do you understand that Count One of that indictment
24 charges you with violating Section 1349 of Title 18 by
25 participating in a conspiracy to commit wire fraud, conspiring

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1 with others to defraud financial institutions and other
2 companies and to obtain money and property from those financial
3 institutions and companies, including the confidential personal
4 identifying information of customers by means of materially
5 false and fraudulent pretenses for the purpose of executing and
6 attempting to execute such scheme transmitting by means of wire
7 communication in interstate and foreign commerce certain
8 writings, signs, signals, pictures and sounds in violation of
9 Section 1343 of Title 18? Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: And do you understand that Count Five of
12 that indictment charges you with violating Section 1371 of
13 Title 18 by participating in a conspiracy to commit computer
14 fraud and identity fraud by knowingly agreeing with others to
15 intentionally access protected computers without authorization
16 and thereby obtaining information from protected computers in
17 furtherance of a criminal act in violation of the Georgia
18 Identity Fraud Statute, which is O.C.G.A. Section
19 16-9-121(a)(1); that is, to willfully use and possess with
20 intent to fraudulently use identifying information concerning a
21 person without authorization and consent in violation of Title
22 18 of the United States Code, Sections 1030(a)(2)(C) and
23 1030(c)(2)(B)(ii).

24 Do you understand that?

25 THE DEFENDANT: Yes.

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1 THE COURT: And now I will turn to the charges in
2 indictment (S4) 15 CR 333. Have you received a copy of that
3 charging instrument as the charges against you in the number 15
4 CR 333 at the top?

5 THE DEFENDANT: Yes.

6 THE COURT: Has it been read to you in Russian?

7 THE DEFENDANT: Yes.

8 THE COURT: Have you discussed it with your attorney?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you want me to read Counts One, Two
11 Eight and Nine of the indictment out loud to you?

12 THE DEFENDANT: No.

13 THE COURT: So I will ask you some more questions
14 again.

15 Do you understand that Count One of indictment
16 15 CR 333, the (S4) indictment, charges you with violating
17 Title 18 of the United States Code, Section 371 by
18 participating in a conspiracy to commit computer hacking in
19 furtherance of federal securities fraud crimes from at least in
20 or about 2012 up to and including in or about July 2015?

21 THE DEFENDANT: Yes, I understand.

22 THE COURT: Do you understand that Count Two of
23 indictment (S4) 15 CR 333 charges you with violating Title 18
24 of the United States Code, Sections 1343 and 2 by committing
25 wire fraud in connection with obtaining authorized access to

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1 computer networks of various companies from at least in or
2 about 2012 up to and including in or about July 2015, and
3 aiding and abetting the same?

4 THE DEFENDANT: Yes, I understand.

5 THE COURT: Do you understand that Count Eight of
6 indictment (S4) 15 CR 333 charges you with violating Section
7 371 of Title 18 of the United States Code by conspiring to
8 violate the Unlawful Internet Gambling Enforcement Act from at
9 least in or about 2007, up to and including in or about
10 July 2015?

11 THE DEFENDANT: Yes, I understand.

12 Do you understand that Count Nine of indictment
13 (S4) 15 CR 333 charges you with violating Title 18, Section
14 1349 by conspiring to commit wire fraud and bank fraud in
15 relation to an unlawful payment processing scheme from at least
16 in or about 2011 up to and including in or about July 2015.

17 THE DEFENDANT: Yes, I understand.

18 THE COURT: Do you understand that this indictment
19 also includes a forfeiture allegation in which the government
20 asserts that you are required to forfeit all property
21 constituting or derived from proceeds of the crimes charged in
22 Counts One, Two, Eight and Nine, and your interest in all
23 property used or intended to be used to facilitate the crime
24 charged in Count One?

25 THE DEFENDANT: Yes, I understand.

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1 THE COURT: Do you understand that the government
2 would have to prove each and every part or element of Counts
3 One and Five of indictment 19 CR 658, and of Counts One, Two,
4 Eight and Nine of indictment (S4) 15 CR 333 beyond a reasonable
5 doubt at a trial if you did not plead guilty?

6 THE DEFENDANT: Yes, I understand.

7 THE COURT: Ms. Choi, would you please explain what
8 the government would have to prove if we were going to trial on
9 these charges.

10 MS. CHOI: Yes, your Honor.

11 If I may, I will start with the (S4) 15 CR 333
12 indictment, and then proceed to the 19 CR 685 indictment.

13 As your Honor outlined, the plea agreement sets forth
14 the government's acceptance of a guilty plea in Counts One,
15 Two, Eight and Nine of (S4) indictment starting with Count One,
16 which is conspiracy to commit computer hacking in furtherance
17 of federal securities fraud crimes in violation of 18 United
18 States Code, Section 371.

19 The crime of conspiracy has three elements:

20 First, that two or more persons entered into the
21 unlawful agreement charged in the indictment;

22 Second, that the defendant knowingly and willfully
23 became a member of the conspiracy;

24 And, third, that one of the members of the conspiracy
25 knowingly committed at least one overt act to further some

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1 objective of the conspiracy.

2 As charged in the indictment, Count One has three
3 unlawful objects:

4 The first object is computer hacking in violation of
5 Title 18 United States Code, Sections 1030(a)(2)(A) and
6 1030(c)(2)(B), which has four elements:

7 First, that without authorization --

8 THE COURT: Hang on one second.

9 Ms. Interpreter, is this all right for you or do you
10 want to -- it's all right?

11 Thank you. Sorry to interrupt.

12 MS. CHOI: I will try to slow down just a little bit.

13 That without authorization, the defendant accessed a
14 computer or accessed a computer with authorization but
15 exceeding his authority in accessing the information in
16 question;

17 Second, that the defendant acted intentionally;

18 Third, that the defendant obtained information
19 obtained in a financial record of a financial institution;

20 And, fourth, that the defendant acted for the purpose
21 of commercial advantage or private financial gain, or that the
22 offense was committed in furtherance of a securities fraud
23 scheme, or that the value of the information obtained was
24 greater than \$5,000.

25 The second unlawful object of Count One is computer

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1 hacking in violation of Title 18 United States Code, Sections
2 1030(a)(2)(C) and 1030(c)(2)(B), which has four elements:

3 First, that without authorization, the defendant
4 accessed a computer or accessed a computer with authorization
5 but exceeded his authority in accessing the information in
6 question;

7 Second, that the defendant acted intentionally;

8 Third, that the defendant obtained information from a
9 protected computer;

10 And, fourth, that the defendant acted for the purpose
11 of commercial advantage or private financial gain, or that the
12 offense was committed in furtherance of a securities fraud
13 crime, or that the value of the information was greater than
14 \$5,000.

15 The third unlawful object of Count One is computer
16 hacking in violation of Title 18 United States Code, Section
17 1030(a)(4) and 1030(c)(2)(B). That has four elements:

18 First, that without authorization, the defendant
19 accessed a computer or accessed a computer with authorization
20 but exceeded his authority in accessing the information in
21 question;

22 Second, that the defendant acted with the intent to
23 defraud;

24 Third, that the defendant accessed further the
25 intended fraud;

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1 And, fourth, that the defendant obtained anything of
2 value, including the use of information if the value of that
3 information exceeded \$5,000 in a one-year period.

4 Count Two of (S4) 15 CR 333 charges wire fraud in
5 connection with obtaining unauthorized access to computer
6 networks of various companies in violation of 18 United States
7 Code, Section 1343 and 2.

8 The crime of wire fraud has three elements:

9 First, that there was a scheme or artifice to defraud
10 or to obtain money or property by materially false and
11 fraudulent pretenses, representations or promises;

12 Second, that the knowingly and willfully participated
13 in a scheme or artifice to defraud with knowledge of its
14 fraudulent nature and with the specific intent to defraud;

15 And, third, that in execution of that scheme, the
16 defendant used or caused the use of interstate or international
17 wires.

18 Count Eight of the (S4) 15 CR 333 indictment charges
19 conspiracy to violate the Unlawful Internet Gambling
20 Enforcement Act in violation of 18 United States Code, Section
21 371.

22 The elements of the crime of conspiracy were the same
23 as in Count One of the indictment, and the unlawful object of
24 Count Eight is violation of the Unlawful Internet Gambling
25 Enforcement Act, Title 31 United States Code, Sections 5363 and

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1 5366. This crime has three elements:

2 First, that the defendant engaged in the business of
3 betting and wagering;

4 Second, that the defendant accepted in connection with
5 the participation of another person in unlawful internet
6 gambling, credit or proceeds of credit, extended to or on
7 behalf of that other person (including credit extended through
8 the use of a credit card), or an electronic fund transfer, or
9 funds transmitted by and through a money transmitting business,
10 or proceeds of an electronic fund transfer or money
11 transmitting service from or on behalf of another person; or
12 any check, draft or similar instrument which is drawn by or on
13 behalf of such other person, and is drawn on or payable at or
14 through any financial institution;

15 And, third, that the defendant knowingly accepted such
16 transactions.

17 Count Nine of the (S4) 15 CR 333 indictment charges
18 conspiracy to commit wire fraud and bank fraud in relation to
19 an unlawful payment processing scheme in violation of Title 18
20 United States Code, Section 1349.

21 The elements of the crime of conspiracy were
22 previously outlined in relation to Count One.

23 Count Nine has two unlawful objects. The first is
24 wire fraud, the elements of which were previously outlined in
25 relation to Count Two.

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1 And the second unlawful object is bank fraud in
2 violation of United States Code, Section 1344, which has three
3 elements:

4 First, that there was a scheme to obtain money or
5 property owned or under the control or custody of a bank by
6 means of a materially false or fraudulent pretenses,
7 representations or promises;

8 Second, that the defendant executed or attempted to
9 execute the scheme with the intent to obtain money or property
10 owned or under the custody or control of the bank;

11 And, third, that at the time of the execution of the
12 scheme, the bank had its deposits insured by the Federal
13 Deposit Insurance Corporation.

14 Moving to indictment 19 CR 658, which was originally
15 in the Northern District of Georgia, Count One of that
16 indictment charges conspiracy to commit wire fraud in relation
17 to the misappropriation of confidential personal identifying
18 information in violation of Title 18, United States Code,
19 Section 1349.

20 The elements of the crime of conspiracy were
21 previously outlined in relation to Count One of the
22 (S4) 15 CR 333 indictment, and the unlawful object of this
23 crime is wire fraud, the elements of which were previously
24 outlined in relation to Count Two of the (S4) 15 CR 333
25 indictment.

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1 Count Five of the 19 CR 658 indictment charges
2 conspiracy to commit computer hacking in furtherance of a
3 criminal act in violation of the Georgia Identity Fraud
4 Statute, which is in violation of Title 18 United States Code,
5 Section 371.

6 Again, the elements of the crime of conspiracy were
7 previously outlined. In this case the unlawful object is
8 computer hacking in violation of Title 18 United States Code,
9 Section 1030(a)(2)(C) and 1030(c)(2)(B), as was previously
10 outlined in relation to Count One of the (S4) 15 CR 333
11 indictment. One distinction, however, is that the information
12 obtained as outlined in the 19 CR 658 indictment was obtained
13 in furtherance of a violation of the Georgia Identity Fraud
14 Statute, which your Honor outlined; specifically, to willfully
15 use and possess with intent to fraudulently use identifying
16 information concerning a person without authorization or
17 consent.

18 In addition, the government would have to prove venue
19 for each of the counts by a preponderance of the evidence.

20 THE COURT: Thank you.

21 Mr. Tyurin, do you understand what the government
22 would have to prove if you did not plead guilty?

23 THE DEFENDANT: Yes, I understand.

24 THE COURT: Do you understand that the maximum
25 possible penalty for the crime charged in Count One of the

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1 19 CR 658 indictment is 30 years of imprisonment, plus a fine
2 of the greatest of \$1 million, twice the gain resulting from
3 the offense or twice the loss to other people resulting from
4 the offense, plus \$100 special assessment, plus five years of
5 supervised release after your term of imprisonment, plus full
6 restitution to all persons injured by your criminal conduct?

7 THE DEFENDANT: I understand.

8 THE COURT: Do you understand that the maximum
9 possible penalty for the crime charged in Count Five of the
10 19 CR 658 indictment is five years of imprisonment, plus a fine
11 of the greatest of \$250,000, twice the gain resulting from the
12 offense, or twice the loss to other people resulting from the
13 offense, plus a \$100 special assessment, plus three years of
14 supervised release after your term of imprisonment, plus full
15 restitution to all persons injured by your criminal conduct?

16 THE DEFENDANT: I understand.

17 THE COURT: Do you understand that the maximum
18 possible penalty for the crime charged in Count One of
19 indictment (S4) 15 CR 333 is five years of imprisonment, plus a
20 fine of the greatest of \$250,000, twice the gain resulting from
21 the offense, or twice the loss to other people resulting from
22 the offense, plus a \$100 special assessment, plus three years
23 of supervised release after your term of imprisonment, plus
24 full restitution to all persons injured by your criminal
25 conduct?

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1 THE DEFENDANT: Yes, I understand.

2 THE COURT: Do you understand that the maximum
3 possible penalty for the crime charged in Count Two of the (S4)
4 indictment is 20 years of imprisonment, plus a fine of the
5 greatest of \$250,000, twice the gain resulting from the
6 offense, or twice the loss to other people resulting from the
7 offense, plus a \$100 special assessment, plus three years of
8 supervised release after your term of imprisonment, plus full
9 restitution to all persons injured by your criminal conduct?

10 THE DEFENDANT: Yes, I understand.

11 THE COURT: Do you understand that the maximum
12 possible penalty for the crime charged in Count Eight of the
13 (S4) indictment is five years of imprisonment, plus a fine of
14 the greatest of \$250,000, twice the gain resulting from the
15 offense, or twice the loss to other people resulting from the
16 offense, plus a \$100 special assessment, plus three years of
17 supervised release after your term of imprisonment, plus full
18 restitution to all persons injured by your criminal conduct?

19 THE DEFENDANT: Yes, I understand.

20 THE COURT: Do you understand that the maximum
21 possible penalty for the crime charged in Count Nine of the
22 (S4) indictment is 30 years of imprisonment, plus a fine of the
23 greatest of \$1 million, twice the gain resulting from the
24 offense, or twice the loss to other people resulting from the
25 offense, plus a \$100 special assessment, plus five years of

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1 supervised release after your term of imprisonment, plus full
2 restitution to all persons injured by your criminal conduct?

3 THE DEFENDANT: Yes, I understand.

4 THE COURT: Do understand that the maximum combined
5 penalty for all of the crimes in the two indictments to which
6 you propose to plead guilty is 95 years of imprisonment, plus a
7 fine of \$3 million or, if greater, the number sums of the
8 relevant gains, losses, property values, and statutory amounts
9 resulting from your offenses, plus full restitution to all
10 persons injured by your criminal conduct, plus a total of \$600
11 in mandatory special assessments, plus supervised release for
12 five years after your term of imprisonment?

13 THE DEFENDANT: Yes, I understand.

14 THE COURT: I will now give you some information to
15 verify your understanding of the supervised release aspect of
16 the potential penalty.

17 Supervised release means that you will be subject to
18 monitoring when you are released from prison. Terms and
19 conditions will be imposed. If you violate any of the set
20 terms and conditions, you can be sent back to prison without a
21 jury trial.

22 If you are on supervised release and you do not comply
23 with any of the set terms or conditions, you can be sent back
24 to prison for up to three years. You will be given no credit
25 for the time that you served in prison as a result of your

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1 sentence, and no credit for any time spent on any post release
2 supervision.

3 So, for example, if you received a prison term and
4 then a five-year term of supervised release, and after you left
5 prison, you lived up to the terms of supervised release for
6 almost five years, but then you violated some term of the
7 supervised release, you could be sent back to prison for three
8 whole years. Do you understand that?

9 THE DEFENDANT: Yes, I understand.

10 THE COURT: Do you also understand that if I accept
11 your guilty plea and adjudge you guilty, there may be adverse
12 effects on your immigration status, including removal from the
13 United States, further detention following the completion of
14 your sentence, denial of United States citizenship,
15 denaturalization and denial of admission to the United States
16 in the future?

17 THE DEFENDANT: Yes, I understand.

18 THE COURT: Did you discuss the possible immigration
19 consequences of your plea with your attorney?

20 THE DEFENDANT: Yes.

21 THE COURT: Under current law, there are Sentencing
22 Guidelines that judges must consider in determining your
23 sentence. Have you spoken to your attorney about the
24 Sentencing Guidelines?

25 THE DEFENDANT: Yes.

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1 THE COURT: Do you understand that in determining your
2 sentence, the Court must calculate the applicable Sentencing
3 Guidelines range, and consider that range, possible departures
4 under the Sentencing Guidelines, and other sentencing factors
5 under Title 18, Section 3553(a)?

6 THE DEFENDANT: Yes, I understand.

7 THE COURT: Do you understand that the Court has
8 discretion while taking the guidelines into account to sentence
9 you to any period of imprisonment from time served up to the
10 statutory maximum of 95 years of imprisonment?

11 THE DEFENDANT: Yes, I know that.

12 THE COURT: Do you understand that even though your
13 plea agreement includes a stipulated or agreed Sentencing
14 Guidelines calculation, the Court will not be able to determine
15 your sentence until after a presentence report has been
16 completed by the probation department, and you and the
17 government had a chance to challenge any of the facts reported
18 by the probation department?

19 THE DEFENDANT: Yes, I understand.

20 THE COURT: Do you understand that you may have the
21 right to appeal your sentence under certain circumstances even
22 if your plea agreement provides that you are waiving your right
23 to appeal?

24 THE DEFENDANT: Yes, I understand.

25 THE COURT: Do you understand that if your attorney or

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1 anyone else has attempted to estimate or predict what your
2 sentence will be, their estimate or prediction could be wrong?

3 THE DEFENDANT: Yes, I know that.

4 THE COURT: No one, not even your attorney or the
5 government, can, or should, give you any assurance of what your
6 sentence will be because your sentence cannot be determined
7 until after the probation officer report is completed, and I
8 have ruled on the challenges to the report, and I have
9 determined what the appropriate sentence is. Do you understand
10 this?

11 THE DEFENDANT: Yes, I understand.

12 THE COURT: Do you also fully understand that even if
13 your sentence is different from what your attorney or anyone
14 else told you it might be, or if it is different from what you
15 expect, you will still be bound to your guilty plea, and you
16 will not be allowed to withdraw your guilty plea?

17 THE DEFENDANT: Yes, I understand.

18 THE COURT: Mr. Miedel, would you please show
19 Mr. Tyurin page 6 of the plea agreement, which is Government
20 Exhibit 1, and specifically the paragraph with the stipulated
21 Sentencing Guidelines page.

22 (Complies)

23 THE COURT: Mr. Tyurin, this agreement provides that
24 the stipulated Sentencing Guidelines range is from 188 to 235
25 months of imprisonment. Do you understand that this

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1 stipulation does not bind the Court or the probation department
2 as to the facts on which it is based, as to how to apply the
3 guidelines to the facts, or as to what will be an appropriate
4 sentence in your case?

5 THE DEFENDANT: Yes, I understand.

6 THE COURT: Do you understand that I may decide to
7 impose a sentence that is outside the guidelines range?

8 THE DEFENDANT: Yes, I understand.

9 THE COURT: Are you now serving any state or federal
10 sentence, or are you being prosecuted for any other crime?

11 THE DEFENDANT: No.

12 THE COURT: Would you please look again at Government
13 Exhibit 1, which is the plea agreement. Have you signed this
14 agreement?

15 THE DEFENDANT: Yes, I signed it.

16 THE COURT: Was it read to you in Russian before you
17 signed it?

18 THE DEFENDANT: Yes, I read it in Russian.

19 THE COURT: So was it translated into Russian,
20 Mr. Miedel?

21 MR. MIEDEL: It was translated into Russian.

22 THE COURT: Very well then. Did you discuss it with
23 your attorney before you signed it?

24 THE DEFENDANT: Yes.

25 THE COURT: And did you fully understand the agreement

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1 before you signed it?

2 THE DEFENDANT: Yes.

3 THE COURT: Does the agreement reflect accurately your
4 complete and total understanding of the entire agreement
5 between the government, your attorney and you?

6 THE DEFENDANT: Yes.

7 THE COURT: Is everything that you understand about
8 your plea and sentence covered in the agreement?

9 THE DEFENDANT: Yes.

10 THE COURT: Has anything been left out?

11 THE DEFENDANT: No, I don't think so.

12 THE COURT: Has anyone made any promises to you other
13 than what is written in the plea agreement, or threatened you
14 or forced you to plead guilty or enter into the plea agreement?

15 THE DEFENDANT: No.

16 THE COURT: Do you understand that on page 5, the
17 agreement includes a stipulation as to the grouping of Counts
18 One, Two and Nine of the (S4) indictment and Counts One and
19 Five of the 19 CR 658 indictment, and I will refer to that
20 grouping as Group One, that you agree that the loss was more
21 than \$25 million but less than \$65 million?

22 THE DEFENDANT: Yes.

23 THE COURT: Do you understand that the loss amount
24 affects sentencing calculations under the Sentencing
25 Guidelines?

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1 THE DEFENDANT: Yes, I understand.

2 THE COURT: Do you understand that you are under no
3 obligation to make an agreement with the government as to the
4 amount of the loss?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that on page 5, the
7 agreement includes a stipulation as to that same Group One that
8 you agree that the offense involved ten or more victims?

9 THE DEFENDANT: Yes.

10 THE COURT: Do you understand that the number of
11 victims affects sentencing calculations under the guidelines?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that you are under no
14 obligation to make an agreement with the government as to the
15 number of victims?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand that also on page 5 the
18 agreement includes a stipulation as to Group One that you agree
19 that a substantial part of the fraudulent scheme was committed
20 from outside of the United States, and that the offense
21 involved sophisticated means, and that you intentionally
22 engaged in or caused the conduct constituting sophisticated
23 means?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you understand that these facts affect

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1 the sentencing calculations under the guidelines?

2 THE DEFENDANT: Yes.

3 THE COURT: Do you understand that you're under no
4 obligation to make an agreement with the government as to these
5 facts?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that also on page 5 the
8 agreement includes a stipulation as to Group One that your
9 offense involved the possession or use of an authentication
10 feature, and the unauthorized transfer or use of a means of
11 identification unlawfully to obtain another means of
12 identification, and the possession of five or more means of
13 identification that unlawfully were obtained by the use of
14 another means of identification?

15 THE DEFENDANT: Yes.

16 THE COURT: Do you understand that these facts affect
17 the sentencing calculations under the Sentencing Guidelines?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you understand that you are under no
20 obligation to make an agreement with the government as to these
21 facts?

22 THE DEFENDANT: Yes.

23 THE COURT: Do you understand that the agreement also
24 on page 5 includes a stipulation as to Group One that you agree
25 that you were convicted of an offense under Title 18, Section

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1 1030, and that the offense involved the intent to obtain
2 personal information?

3 THE DEFENDANT: Yes.

4 THE COURT: Do you understand that this fact affects
5 sentencing calculations under the Sentencing Guidelines?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand you are under no
8 obligation to make an agreement with the government as to this
9 fact?

10 THE DEFENDANT: Yes, I understand.

11 THE COURT: Do you understand that your agreement
12 again on page 5 includes a stipulation as to Group One that you
13 willfully obstructed, or impeded, and attempted to obstruct and
14 impede the administration of justice with respect to the
15 investigation of the offense of conviction; and that the
16 obstructive conduct related to the offense of conviction and
17 relevant conduct?

18 THE DEFENDANT: Yes, I understand.

19 THE COURT: Do you understand that these facts affect
20 sentencing calculations under the Sentencing Guidelines?

21 THE DEFENDANT: Yes.

22 THE COURT: Do you understand that you are under no
23 obligation to make an agreement with the government as to these
24 facts?

25 THE DEFENDANT: I understand, yes.

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1 THE COURT: And do you understand that pages 3 and 4
2 of the agreement provide that you are admitting certain of the
3 forfeiture allegations in each of the indictments, and that you
4 agree that you must forfeit to the United States the sum of
5 \$19,214,956 in United States currency representing the proceeds
6 of the offenses to which you are pleading guilty?

7 THE DEFENDANT: Yes, I understand.

8 THE COURT: Do you understand that you are under no
9 obligation to make an agreement with the government as to any
10 amount that you are required to forfeit?

11 THE DEFENDANT: Yes.

12 THE COURT: And do you understand that anything that
13 you do forfeit will not count against any other fine, penalty
14 or restitution that the Court may impose as part of your
15 sentence?

16 THE DEFENDANT: Yes.

17 THE COURT: I have been given a proposed consent
18 preliminary order of forfeiture and money judgment providing
19 for the entry of a money judgment against Mr. Tyurin in the
20 amount of 19,214,956 in connection with this guilty plea.

21 Mr. Miedel, have you reviewed the consent preliminary
22 order of forfeiture?

23 MR. MIEDEL: Yes, I have.

24 THE COURT: Has it been read to Mr. Tyurin in Russian
25 or translated for him?

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1 MR. MIEDEL: Yes, it has.

2 THE COURT: Do you have any objections to the form or
3 content of the order?

4 MR. MIEDEL: I do not.

5 THE COURT: Mr. Tyurin, have you reviewed the proposed
6 order of forfeiture with your attorney?

7 THE DEFENDANT: Yes, I did.

8 THE COURT: Have you signed it?

9 THE DEFENDANT: Yes.

10 THE COURT: Did you understand it before you signed
11 it?

12 THE DEFENDANT: Yes.

13 THE COURT: And, Ms. Choi, would you please explain
14 briefly the computation of the figure provided for by way of
15 forfeiture.

16 MS. CHOI: Your Honor, it is based on various
17 communications between the defendant and his co-conspirators as
18 to the specific proceeds that would be given to him as payment
19 for his participation in the crimes.

20 THE COURT: Thank you.

21 So I will enter this in connection with today's
22 proceeding.

23 Mr. Tyurin, do you understand that on page 7, the plea
24 agreement provides that you are giving up or waiving your right
25 to appeal, to litigate or challenge your sentence under Title

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1 28, Sections 2255 and/or 2241, and your right to seek a
2 sentence reduction under Title 18, Section 3582(c) if I
3 sentence you to 235 or fewer months in prison?

4 THE DEFENDANT: Yes, I understand.

5 THE COURT: Do you understand that the agreement also
6 provides that you will not appeal any term of supervised
7 release of five years or less?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you understand that the agreement
10 provides that you will not appeal any fine of \$1 million or
11 less?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that the agreement also
14 provides that you are acknowledging that you want to plead
15 guilty regardless of any immigration consequences of your plea
16 and conviction, even possible deportation or denaturalization
17 and that you will be able to withdraw your guilty plea based on
18 any immigration consequences of your plea and conviction?

19 THE DEFENDANT: Yes, I do understand.

20 THE COURT: Do you understand that the agreement also
21 provides that you are giving up your right to appeal or
22 litigate or challenge your sentence under Sections 2255 and/or
23 2241 of Title 28 on the basis of any adverse immigration
24 consequences that may result from your guilty plea and
25 conviction?

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1 THE DEFENDANT: Yes.

2 THE COURT: Do you understand that you are under no
3 obligation to waive your rights to appeal or otherwise litigate
4 any aspect of your sentence?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that the agreement also
7 provides that the appeal and collateral challenge waiver
8 provisions that we had just discussed do not affect whatever
9 rights you may have to assert claims of ineffective assistance
10 of counsel, whether on direct appeal, collateral review, or
11 otherwise?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you understand that the agreement
14 provides that you will not move for a downward departure under
15 the Sentencing Guidelines or seek any adjustment under the
16 guidelines that is not described in the plea agreement, but
17 that you can make arguments for a lower sentence under the
18 general sentencing statute that is known as Section 3553(a)?

19 THE DEFENDANT: Yes.

20 THE COURT: Do you understand that even if the
21 government does not oppose or take a position on what your
22 attorney will ask as a sentence, I am free to impose whatever
23 sentence I believe is appropriate under the circumstances and
24 the applicable law, and you will have no idea right to withdraw
25 your plea?

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1 THE DEFENDANT: Yes.

2 THE COURT: Do you still want to plead guilty pursuant
3 to this plea agreement?

4 THE DEFENDANT: Yes.

5 THE COURT: Mr. Miedel, do you know of any valid
6 reason why Mr. Tyurin would prevail at trial?

7 THE DEFENDANT: No, your Honor.

8 THE COURT: Do you know of any reason why he should
9 not be permitted to plead guilty?

10 MR. MIEDEL: No, your Honor.

11 THE COURT: Mr. Tyurin, would you please stand now and
12 tell me what you did that makes you guilty of each of the
13 crimes to which you are pleading guilty.

14 THE DEFENDANT: Between 2012 and 2015, I agreed with
15 others to hack into computers for the purpose of obtaining
16 information that would give me and my co-conspirators a
17 financial advantage. For example, in 2013, I hacked into the
18 computers at a financial publication company in Manhattan and
19 obtained data about their subscribers. The purpose was for
20 those subscribers to be contacted and recorded to participate
21 in a fraudulent stock opportunity scheme.

22 MR. MIEDEL: Your Honor, I just want to break in that
23 Mr. Tyurin is going to allocute in order for each count. This
24 was the allocution for Count One of the 15 CR indictment.

25 THE COURT: Thank you.

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1 THE DEFENDANT: So with regards to the Count Two:
2 Between 2012 and 2015, I participated in a scheme to defraud
3 people through fraudulent investment opportunities. Through my
4 hacking activities, which were conducted by computer and over
5 the internet, I obtained addresses, phone numbers and email
6 addresses of individuals, who were then contacted by my
7 co-conspirators in an effort to defraud them through a
8 pump-and-dump securities fraud scheme.

9 THE COURT: Before you go on, I just want to ask you.
10 You've used the term defraud. What do you mean by that?

11 THE DEFENDANT: They were defrauding people with
12 regards to the increase of the value of their investments.

13 THE COURT: And when you say they were defrauding, do
14 you mean the people with whom you had an agreement?

15 THE DEFENDANT: Yes, my co-conspirators.

16 THE COURT: And you had agreed with them that they
17 would have these communications with the people you were
18 contacting with the stolen information?

19 THE DEFENDANT: Yes.

20 THE COURT: And when you say that they were defrauding
21 them with respect to the amount that they would receive, do you
22 mean that they were telling people that the people would make
23 more money than they could actually expect to make under this
24 scheme? Was that the fraud?

25 (Counsel and defendant consult through interpreter)

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1 THE DEFENDANT: I understand that the information that
2 was given to those people was incorrect, was false.

3 THE COURT: And you understand that that false
4 information related to the amount of money that those people
5 might be able to make on an investment?

6 THE DEFENDANT: Right. It was not true information.
7 It was made-up information.

8 THE COURT: And this information was given to them in
9 order to persuade them to give over money themselves to invest?

10 THE DEFENDANT: Yes, they wanted them to invest in
11 those papers.

12 THE COURT: And what do you mean by pump-and-dump?

13 THE DEFENDANT: It's a scheme where based on the false
14 information -- original false information, the price and the
15 demand of the investment is exaggerated. And then when the
16 price would go up, then those papers will be dumped, they will
17 be sold.

18 THE COURT: When you say "those papers," the stocks or
19 the investments?

20 THE DEFENDANT: Yes, stocks.

21 THE COURT: Thank you. You may continue.

22 THE DEFENDANT: I did so in part by using credentials
23 to access databases that I was not authorized to access, and
24 through the use of wires in the form of internet connections
25 between computers. Among other entities, I hacked into the

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1 databases of companies located in the Southern District of New
2 York.

3 Count Eight: Between 2007 and 2015, I agreed with
4 others to participate in an unlawful internet gambling scheme.
5 Specifically, my co-conspirators operated unlawful internet
6 gambling site, and by hacking into the database of competitors,
7 I was able to further the internet gambling scheme by providing
8 my conspirators with customer lists for them to contact and to
9 try to lure them to become customers of my co-conspirators'
10 import net gambling operation. Those unlawful gambling sites
11 allowed for U.S. customers, including customers located in the
12 Southern District of New York, to make deposits to gamble
13 through the use of credit and debit cards.

14 Count Nine --

15 THE COURT: Before you go on to Count Nine, you've
16 used the term "hacking into computers" several times. In
17 general, what do you mean by "hacking"?

18 THE DEFENDANT: Unless access of networks.

19 THE COURT: Unless networks of?

20 THE DEFENDANT: Sorry. Unlawful access of networks.

21 THE COURT: And so going into networks where you were
22 not authorized to go in, is that one way -- one thing that you
23 mean?

24 THE DEFENDANT: Yes.

25 THE COURT: And does it also mean going into networks

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1 where you had some authority to go in but not authority to do
2 what you did?

3 MR. MIEDEL: I don't think he had authority to go into
4 any of the networks he went into.

5 THE COURT: So it was all unauthorized?

6 MR. MIEDEL: Yes.

7 THE COURT: So did you have authority to go into any
8 of the networks -- proper authority to go into any of the
9 networks you entered?

10 THE DEFENDANT: No.

11 THE COURT: Thank you. You may continue with Count
12 Nine.

13 THE DEFENDANT: Between 2011 and 2015, I agreed with
14 others to defraud credit card processing banks by hacking into
15 a company that assessed merchant risk and compliance for credit
16 card processing issues. This allowed my co-conspirators to
17 determine when their fraudulent credit card processing scheme
18 was being detected, and to institute countermeasures. My
19 assistance in this effort allowed credit card payments for
20 illegal gambling activities disguised as lawful purchases to
21 proceed and avoided fine. My hacking was done by computer and
22 over the internet through the use of wires, and affected
23 various banks, including banks located in the Southern District
24 of New York.

25 So the following indictment is from Atlanta, Counts

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1 One and Five:

2 Between 2012 and 2014, I agreed with others to
3 infiltrate the databases of certain financial institutions to
4 obtain personal identifying information of their customers.
5 Specifically, I hacked into at least one financial institution
6 located in Georgia by using my computer via the internet, and I
7 obtained identifying information about its customers, such as
8 names, addresses and email addresses. Some of the customers
9 whose information I obtained lived in Georgia. The purpose of
10 unlawfully obtaining this information was to create a database
11 of people in the United States who would receive mass mailings
12 presenting them with the opportunity to invest in securities.
13 My co-conspirators artificially inflated the prices of the
14 securities and deceived the potential investors about their
15 returns. That's it.

16 THE COURT: So I noticed that you were referring to
17 some notes when you were explaining to me what you did. Who
18 prepared those notes?

19 THE DEFENDANT: My attorney.

20 THE COURT: And did he prepare those based on
21 information that you gave to him about what you've done?

22 THE DEFENDANT: Yes, including that.

23 THE COURT: And is everything that you have just told
24 me about what you have done the truth about what you have done?

25 THE DEFENDANT: Yes, it's the truth.

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1 THE COURT: And when you did the things that you've
2 just told me about, did you know that what you were doing was
3 wrong and illegal?

4 THE DEFENDANT: Yes.

5 THE COURT: Ms. Choi, does the government wish any
6 further factual matters to be addressed in the plea allocution?

7 MS. CHOI: Your Honor, nothing that the defendant can
8 allocute to with his own knowledge. The government would just
9 posit or proffer a few facts to show that certain of the
10 elements were met.

11 First, that the value of the information obtained,
12 which included financial records from various financial
13 institutions, was greater than \$5,000, which would be evidenced
14 both by the defendant's gains as well as the losses to the
15 victims;

16 That the computers at issue that were hacked were both
17 used exclusively by financial institutions or, alternatively,
18 protected computers because they were in and affecting
19 interstate and foreign commerce;

20 And that the financial institutions and the banks that
21 were affected by the defendant's hacking schemes included
22 victim banks whose deposits were FDIC insured;

23 And that, finally, the wires at issue, because of the
24 fact that the defendant was abroad and the victims were in the
25 United States, required the use of interstate and foreign

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1 wires.

2 THE COURT: Would you please summarize the
3 government's evidence against Mr. Tyurin.

4 MS. CHOI: Yes, your Honor.

5 The evidence would essentially be three categories, as
6 it were.

7 First, would be evidence from the victim companies in
8 the form of network logs and other data that would establish
9 that there had been unauthorized access and the exfiltration of
10 data from these various networks;

11 Second, would be a category of search warrant returns
12 and mutual legal assistance treaty returns that would include
13 evidence of the exfiltrated data held by the co-conspirators,
14 as well as discussions amongst the co-conspirators, including
15 this defendant regarding the hacking activities at issue, and
16 the other criminal activities to which he allocuted;

17 And, finally, travel records that would establish in
18 combination with evidence from Category Two that it was in fact
19 this particular individual, the defendant, who was the hacker,
20 who was communicating with the other co-conspirators.

21 THE COURT: Thank you.

22 Mr. Tyurin, how do you now plead to the charge in
23 Count One of the 19 CR 658 indictment? Not guilty or guilty.

24 THE DEFENDANT: I plead guilty.

25 THE COURT: How do you plead to the charge in Count

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1 Five of the 19 CR 658 indictment?

2 THE DEFENDANT: I plead guilty.

3 THE COURT: How do you plead to the charge in Count
4 One of the (S4) 15 CR 333 indictment?

5 THE DEFENDANT: Yes, I plead guilty.

6 THE COURT: How do you plead to the charge in Count
7 Two of the (S4) 15 CR 333 indictment?

8 THE DEFENDANT: Yes, I plead guilty.

9 THE COURT: How do you plead to the charge in Count
10 Eight of the (S4) 15 CR 333 indictment?

11 THE DEFENDANT: I plead guilty.

12 THE COURT: How do you plead to the charge in Count
13 Nine of the (S4) 15 CR 333 indictment?

14 THE DEFENDANT: I plead guilty.

15 THE COURT: Are you pleading guilty to each of these
16 charges because you are in fact guilty of the crime charged in
17 each count?

18 THE DEFENDANT: Yes, I plead guilty to those counts
19 because I am in fact guilty.

20 THE COURT: Are you pleading guilty voluntarily and of
21 your own free will?

22 THE DEFENDANT: Yes.

23 THE COURT: Mr. Miedel, would you please show
24 Mr. Tyurin Court Exhibit 1 the advice of rights form.

25 Mr. Tyurin, have you signed in form?

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1 THE DEFENDANT: Yes.

2 THE COURT: Was it read to you in Russian before you
3 signed it?

4 THE DEFENDANT: Yes.

5 THE COURT: Did you discuss it with your attorney
6 before you signed it?

7 THE DEFENDANT: Yes.

8 THE COURT: And did you understand it before you
9 signed it?

10 THE DEFENDANT: Yes.

11 THE COURT: Mr. Miedel, did you also review and sign
12 Court Exhibit 1?

13 MR. MIEDEL: Yes, your Honor.

14 THE COURT: Mr. Miedel, are there any other questions
15 you believe I should ask Mr. Tyurin in connection with the
16 plea?

17 MR. MIEDEL: No, I do not, your Honor.

18 THE COURT: Ms. Choi, are there any other questions
19 that you believe I should ask in connection with the plea?

20 MS. CHOI: No, your Honor.

21 THE COURT: Mr. Tyurin, you have acknowledged that you
22 are guilty as charged in Counts One and Five of indictment
23 19 CR 658, and Counts One, Two, Eight and Nine of indictment
24 (S4) 15 CR 333. I find that you know your rights and that you
25 are waiving them voluntarily.

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1 Because your plea is entered knowingly and
2 voluntarily, and is supported by an independent basis in fact
3 containing each of the essential elements of each offense, I
4 accept your guilty plea and adjudge you guilty of the offenses
5 charged in Counts One and Five of indictment 19 CR 658 and
6 Counts One, Two, Eight and Nine of indictment (S4) 15 CR 333.

7 Mr. Miedel, do you wish to be present for any
8 interview of Mr. Tyurin in connection with the presentence
9 report?

10 MR. MIEDEL: Yes, I do.

11 THE COURT: I will make that direction. And you can
12 both be seated.

13 Ms. Ng, may I have a sentencing date, please?

14 DEPUTY CLERK: Thursday, January 9, 2020 at 11:30 a.m.

15 THE COURT: Are counsel available on January 9 at
16 11:30, did you say?

17 DEPUTY CLERK: Yes.

18 MR. MIEDEL: Your Honor, I'm going to at least right
19 now, it looks like I'm going to be on trial that week of
20 June 6--

21 THE COURT: January 6?

22 MR. MIEDEL: Sorry, January 6. I think Ms. Choi is
23 also going to be on trial in January. We were looking for a
24 possible sentencing date at the end of January, beginning of
25 February.

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1 THE COURT: Ms. Ng, what do we have?

2 MS. CHOI: Your Honor, if we could do mid February,
3 that would be the government's preference in light of its trial
4 schedule.

5 THE COURT: Does the defense have any objection to mid
6 February?

7 MR. MIEDEL: No.

8 DEPUTY CLERK: Thursday, February 13, 2020 at 2:30.

9 MR. MIEDEL: That's fine, thank you.

10 MS. CHOI: That works for the government, your Honor.

11 THE COURT: All right. So sentencing is set for
12 February 13, 2020 at 2:30 in the afternoon.

13 Counsel, please be certain to get any objections or
14 other comments back promptly to probation once the draft report
15 is discussed and make your sentencing submissions in accordance
16 with my sentencing submission procedures which are posted on
17 the court website.

18 Ms. Choi, will you get the government's factual
19 summary to probation in the next two weeks?

20 MS. CHOI: Yes, your Honor.

21 THE COURT: Thank you. And Mr. Miedel, if you have
22 not heard about the scheduling of an interview in the next two
23 weeks, would you please reach out promptly to make sure that
24 that happens promptly?

25 MR. MIEDEL: Yes, I will.

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1 THE COURT: Thank you.

2 Mr. Tyurin, the probation department will be preparing
3 a presentence report to assist me in sentencing you. You will
4 be interviewed by the probation office. It is important that
5 the information that you give to the probation officer be
6 truthful and accurate. The report is important in my decision
7 as to what your sentence will be. You and your attorney will
8 have the right and will have an opportunity to examine the
9 report, to challenge or comment on it, and to speak on your
10 behalf before sentencing. Failing to be truthful with the
11 probation office and the Court may have an adverse effect on
12 your sentence and may subject you to prosecution. Do you
13 understand that?

14 THE DEFENDANT: Yes.

15 THE COURT: Thank you.

16 Counsel, is there anything else we should take up
17 together this afternoon?

18 MS. CHOI: Not from the government, your Honor. Thank
19 you.

20 MR. MIEDEL: No, your Honor. Thank you.

21 THE COURT: Thank you. We are adjourned. Keep well
22 everyone.

23 (Adjourned)
24
25